

KYRGYZ REPUBLIC

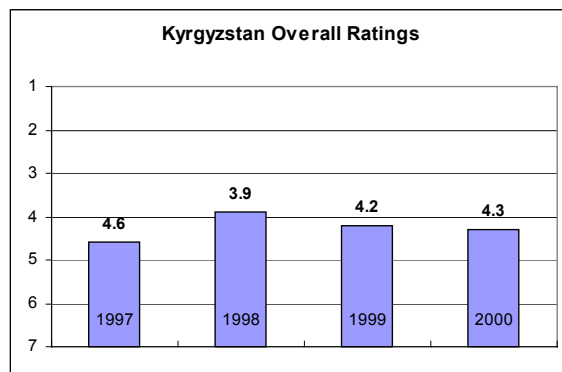
Capital: Bishkek
GDP per capita: \$382
Population: 4,700,000

Inflation: 10%
Unemployment (1997): 3.2%
Foreign Direct Investment: \$64,000,000

OVERALL RATING: 4.3

Approximately 2,000 NGOs are officially registered in Kyrgyzstan. However, according to the database kept by Counterpart Consortium, there are about 1,060 active NGOs in the country. Many of the other registered NGOs do very little, or are quasi-NGOs created by government agencies. The NGO community is fairly diverse, but capacity is unevenly distributed among NGOs, with those engaged in apolitical service provision such as in the health or consumer protection spheres for example, generally stronger.

The past year has witnessed the increased involvement of Kyrgyzstani NGOs in the political arena. While this is largely a positive development, increased political involvement has also led to a highly contested sector that is politicized internally and that is under great pressure from the Government. These developments stem mainly from the NGO community's activism during and since the flawed parliamentary elections. It is unclear how this increased involvement will affect the Kyrgyzstani NGO sector in the long run. In the meantime, the sector faces the challenge of the up-coming presidential election. In the best case scenario, developments in the political sphere will push the NGO sector toward increasing maturity, unity, and consolidation; but increased political participation may also lead to fragmentation in the short-term.



At present, Kyrgyzstan's NGO sector is the most advanced in Central Asia. NGOs have emerged throughout the country, and a few national organizations even have local branches. NGOs exist in numerous sectors including advocacy, elections monitoring, agricultural and business development, health care, disability support, consumer protection, and women's rights.

The largest problems facing the NGO sector in Kyrgyzstan are rooted in issues of organizational and financial sustainability. Most NGOs are run by strong personalities who micro-manage the organizations' activities. While this may provide short-term coherency and effectiveness in the implementation of activities, it also limits the ability of NGOs to plan for their continued existence beyond the present leadership. It also limits the ability of NGOs to reach out to a large membership and/or constituency. Financially, NGO growth is constrained by tax legislation that taxes any commercial activity performed by an NGO at the same level that businesses are taxed, regardless of what the income is used for. Furthermore, the poor economic environment in Kyrgyzstan provides little hope for increased local financial support for NGOs.

LEGAL ENVIRONMENT: 4.3

Despite the passage of a new NGO law in October 1999, the legal environment for NGOs in Kyrgyzstan has degraded appreciably over the past year, and remains tenuous at best. In the wake of flawed parliamentary elections and in the run-up to a presidential election that has already seen the suppression of opposition candidates, the NGO sector has become dangerously politicized. For some NGOs, in particular those oriented around political advocacy or electoral issues, this largely reflects the active degradation of relations between the government and NGOs. In a departure from its prior policies of restraint, the government has begun to manipulate various levers, such as the state media, government-sponsored or government-sympathetic NGOs, and the registration process to harass NGOs with political agendas that are seen as antithetical to the government.

Other apolitical NGOs have also been affected by the politicization of the legal environment. This politicization has caused a cooling in the government's attitude towards the sector in general. Implementation of the NGO law remains problematic, and the application of formal registration procedures is ad hoc. In general, stronger NGOs with higher profiles encounter more impediments in the registration and re-registration processes.

Although most lawyers have little knowledge specifically about NGOs, legal advice is readily available and provides the sector with a certain capacity to defend its interests and engage the formal legal regime. There are no restrictions on income generating activities for NGOs, but taxation remains a problem because tax authorities do not distinguish between not-for-profit organizations and for-profit companies.

ORGANIZATIONAL CAPACITY: 4.0

The organizational capacity of the NGO sector in Kyrgyzstan has not changed appreciably over the past year. Many NGOs have moved beyond grant-to-grant thinking, and demonstrate an understanding of the need for strategic planning and sustainability. NGO staffing has also improved. Despite this, problems remain in creating the conditions necessary for NGO sustainability. Volunteerism, for example, is not popular or commonly encouraged among NGOs. Similarly, NGOs in Kyrgyzstan, by and large, do not have stable con-

stituencies. This reflects the need for reliable and proven constituency building techniques. Nevertheless, the NGO movement and community in Kyrgyzstan are growing.

Governance problems continue to hinder the growth and activities of the NGO sector. In particular, internal management structures such as boards of directors are poorly defined. Furthermore, instances of nepotism have been noted in some NGOs, further hampering both their growth and effective management.

FINANCIAL VIABILITY: 5.5

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Financial viability remains problematic for NGOs in Kyrgyzstan, as evidenced by the lack of change from last year's score. Kyrgyzstani NGOs scored particularly low on the financial management systems indicator, reflecting the sector's inability to develop reliable accounting and budgeting mechanisms. The absence of these mechanisms not only retards organizations' ability to effectively use the funds at their disposal, but also impedes broader engagement with the international donor community.

The Kyrgyzstani business community has shown some willingness to invest in social activities and to provide a certain amount of funding to local NGOs. In certain areas, local companies have provided significant operating funds for local NGOs. However, improvements in legislation are required to strengthen

these funding relationships. For example, the current tax code allows private companies to contribute no more than 5% of their income to NGOs tax-free, effectively limiting private-sector contributions by penalizing larger contributions. Furthermore, there is no database that local commercial donors can use to identify potential recipients.

Given the increasing politicization of the NGO operating environment, it is important for NGOs to understand the need for "neutral" money from nonpolitical sources. Overall, however, financial viability of Kyrgyzstani NGOs primarily depends on international donors. Similarly, international donors remain the main forces for improving the organizational capacity and financial accountability of local NGOs.

ADVOCACY: 3.5

Advocacy remains the strongest element of the Kyrgyzstani NGO sector. NGOs have demonstrated the capacity and willingness to engage in advocacy work and in particular to promote policy-focused advocacy initiatives. Many NGOs have considerable experience in coalition-building and political lobbying. In the recent electoral environment, a number of Kyrgyz NGOs collaboratively pressed for free and fair elections at the national level.

Government acceptance of NGO advocacy remains mixed. Outright political lobbying by independent NGOs—in particular by those viewed as hostile to the current government—has prompted a concerted negative response by the government. This response has included administrative pressures as well as attempts to influence the NGO sector through government-supported or government-organized NGOs (GONGOs). These attempts to co-opt the NGO sec-

tor, while ominous, indicate that top political leaders understand the importance of NGOs and civil society. By one estimate, of the more than 2,000 NGOs in Kyrgyzstan, almost half are either sympathetic to the government or are outright GONGOs.

The government has not actively undermined advocacy and lobbying efforts by non-political NGOs. Organizations such as the Association for the Protection of Consumers' Rights play an active role in advocating for the rights of members and constituencies. They have experienced some successes. In one instance, complaints against a Bishkek-area dry cleaner were taken up by the Association, which caused government agencies to discipline the business in question and compensate consumers for damaged clothing items. Other service provision NGOs, such as those providing health or drug addiction services, do not generally encounter active resis-

tance from the government, although the persistent ignorance of legislation and Soviet-style administrative proce-

dures and attitudes continues to be a problem.

SERVICE PROVISION: 4.5

Overall, the Kyrgyzstani NGO sector's capacity for service provision decreased over the past year. Diverging tendencies exist within this aggregate score, however. Measured as a function of the NGO sector's range of goods and services, community responsiveness, and constituencies and clientele, service provision actually *increased* from 1999 to 2000. Poor scores in the ability to promote cost recovery schemes and to gain government recognition and support more than negated these advances.

Cost recovery by NGOs in Kyrgyzstan

remains poor for several reasons. Many NGOs lack the experience and understanding of market realities needed to seriously engage in cost recovery and income-generation efforts. Marketing efforts, without which broader outreach to both local communities and international donors is unlikely, are largely lacking. Also, fee-for-service programs offered by NGOs often cannot compete with "bad but cheap [or free]" government services, given the continuing deterioration of the broader economic climate.

INFRASTRUCTURE: 4.0

NGOs in Kyrgyzstan benefit from some of the most highly developed support infrastructure in Central Asia. In terms of infrastructure development, the sector showed improvement over its already-significant 1999 score. This progress becomes even more dramatic if local grant-making capacity, which remains weak throughout the country and most of Central Asia, is not considered.

A stable support infrastructure exists for NGOs in Kyrgyzstan, including intermediate support organizations (ISOs) and NGO resource centers. This network consists of resource centers and ISOs funded by various agencies (including UNHCR), and is centered on the seven USAID-funded Counterpart Consortium

Civil Society Support Centers in different regions of the country. The resource center network provides access to basic office equipment and space, and, increasingly, access to important communications technology, such as the Internet. Also, local ISOs and NGO resource centers sometimes serve as clearing-houses for local contract trainers. Furthermore, an NGO coalition exists, although NGOs have encountered difficulty in moving beyond the mere sharing of information into broader nationwide coordination efforts. In particular, multi-organizational governance has proven impossible, as NGOs in Kyrgyzstan have proven reluctant to accede to nationwide coordination boards.

PUBLIC IMAGE: 4.5

NGOs are generally afforded wide cov-

erage in the Kyrgyzstani mass media. In

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particular, NGOs focusing on issues of social importance have been widely covered by the media. However, most NGOs fail to publicize their work, partly due to a lack of resources in local communities and partly due to ignorance about the power of marketing. Many NGOs do not actively promote a positive image of themselves: very few have adopted ethical codes, and generally only larger NGOs publish annual reports that allow the public to familiarize itself with their work.

In the wake of the flawed parliamentary elections, and in the contentious political atmosphere attending the approaching presidential elections, the state-controlled media and a number of GONGOs have mounted a campaign to discredit certain independent NGOs with agendas that are seen as antithetical to the government. The poor quality of journalism, especially in outlying regions of the country, is a constraint to NGOs' abilities to improve their public image.